

To the Members of the California State Assembly:

I am returning Assembly Bill 338 without my signature.

This bill would require the California Department of Transportation to use asphalt containing crumb rubber generated in the United States in lieu of other materials, in specified minimum percentages of its total asphalt usage on highway construction and repair projects.

While I am supportive of the overall policy of this bill, I am concerned that by limiting the product to those of U.S. origin only may violate various trade agreements. In addition, this bill may invite sanctions from other nations against products produced in California.

I encourage the author to revisit this issue next legislative session and to, with the Secretary of the State and Consumer Services Agency and the Secretary of the Business, Transportation and Housing Agency, find appropriate language that would alleviate any possible legal challenge which would invalidate otherwise good public policy.

For these reasons I am returning Assembly Bill 338 without my signature.

Sincerely,

Arnold Schwarzenegger